



CHAMBER ACTION

The Committee on Insurance recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to warranty association regulation; amending ss. 634.031, 634.303, and 634.403, F.S.; exempting affiliates of insurers from provisions regulating certain warranty associations, under certain circumstances; requiring certain insurers to be the direct obligor on certain agreements or warranties or issue a contractual liability insurance policy meeting certain requirements; providing for nonapplication of the exemptions under certain circumstances; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (5) is added to section 634.031, Florida Statutes, to read:

634.031 License required.--

(5) Any person that is an affiliate of a domestic insurer as defined in chapter 624 is exempt from application of this



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29 part if the person does not issue, or market or cause to be
 30 marketed, motor vehicle service agreements to residents of this
 31 state and does not administer motor vehicle service agreements
 32 that were originally issued to residents of this state. The
 33 domestic insurer or its wholly owned Florida licensed insurer
 34 must be the direct obligor of all motor vehicle service
 35 agreements issued by such affiliate or must issue a contractual
 36 liability insurance policy to such affiliate that meets the
 37 conditions described in s. 634.041(8)(b). If the Office of
 38 Insurance Regulation determines, after notice and opportunity
 39 for a hearing, that a person's intentional business practices do
 40 not comply with any of the exemption requirements of this
 41 subsection, the person shall be subject to this part.

42 Section 2. Subsection (3) is added to section 634.303,
 43 Florida Statutes, to read:

44 634.303 License required.--

45 (3) Any person that is an affiliate of a domestic insurer
 46 as defined in chapter 624 is exempt from application of this
 47 part if the person does not issue, or market or cause to be
 48 marketed, home warranties to residents of this state and does
 49 not administer home warranties that were originally issued to
 50 residents of this state. The domestic insurer or its wholly
 51 owned Florida licensed insurer must be the direct obligor of all
 52 home warranties issued by such affiliate or must issue a
 53 contractual liability insurance policy to such affiliate that
 54 meets the conditions described in s. 634.3077(3). If the Office
 55 of Insurance Regulation determines, after notice and opportunity
 56 for a hearing, that a person's intentional business practices do



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57 not comply with any of the exemption requirements of this
 58 subsection, the person shall be subject to this part.

59 Section 3. Subsection (4) is added to section 634.403,
 60 Florida Statutes, to read:

61 634.403 License required.--

62 (4) Any person that is an affiliate of a domestic insurer
 63 as defined in chapter 624 is exempt from application of this
 64 part if the person does not issue, or market or cause to be
 65 marketed, service warranties to residents of this state and does
 66 not administer service warranties that were originally issued to
 67 residents of this state. The domestic insurer or its wholly
 68 owned Florida licensed insurer must be the direct obligor of all
 69 service warranties issued by such affiliate or must issue a
 70 contractual liability insurance policy to such affiliate that
 71 meets the conditions described in s. 634.406(3). If the Office
 72 of Insurance Regulation determines, after notice and opportunity
 73 for a hearing, that a person's intentional business practices do
 74 not comply with any of the exemption requirements of this
 75 subsection, the person shall be subject to this part.

76 Section 4. This act shall take effect upon becoming a law.